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 INFO RUEHLL/CONTADORA COLLECTIVE  
 BT  
 EZ1:  
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 EXDIS  
 FLWG REPEAT SENT ACTION SAN SALVADOR 6/25/84 QUOTE:  
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 EXDIS  
 E.O. 12356: DECL:CADR  
 TAGS: OVIP (SHLAUDEMAN, HARRY W.), ES  
 SUBJECT: AME. SHLAUDEMAN'S VISIT TO EL SALVADOR,  
 JUNE 20-21

1. S - ENTIRE TEXT.
2. PLEASE EDIT AS NECESSARY AND RETRANSMIT IMMEDIATE ACTION TO DEPARTMENT, INFO CONTADORA COLLECTIVE.
3. SUMMARY: DURING THE COURSE OF THE VISIT, SHLAUDEMAN MET WITH DUARTE, MINPRESIDENT RAY PRENDES, MOD VIDES CASANOVA, FCNMIN TENORIO AND PLANNING MIN CHAVEZ MENA. SHLAUDEMAN EXPLAINED PURPOSE OF THE VISIT WAS TO BRIEF ON THE CONTEMPLATED TALKS WITH THE GRN AND TO OFFER OUR VIEWS ON CONTADORA DRAFT. DUARTE WAS PRINCIPALLY CONCERNED WITH ECONOMIC PROBLEMS. NEITHER HE NOR OTHER GOES CONTACTS, WITH THE EXCEPTION OF CHAVEZ MENA, WERE CONVERSANT WITH THE CONTADORA DRAFT. DUARTE REJECTED THE CONTADORA ATTEMPT TO SET A DEADLINE FOR A RESPONSE AND PROPOSED A FOUR-STEP PROCEDURE ENTAILING TECHNICAL CONSULTATIONS BEFORE RESPONDING. ON HONDURAS/SALVADOR BORDER ISSUE AND MILITARY COOPERATION, DUARTE PROPOSED TECHNICAL DISCUSSIONS ON HOW TO PROCEED AND AN OVERALL RATHER THAN A PIECEMEAL APPROACH. HE ALSO SUGGESTED WAYS TO INCREASE MILITARY COOPERATION IN THE DISPUTED BORDER AREAS. VIDES CASANOVA THOUGHT DUARTE WAS OFF ON THE

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RIGHT FOOT WITH THE MILITARY IN SELECTING THEIR CONCERNS  
ABOUT HIS PRESIDENCY. HE ANTICIPATED A GUERRILLA  
OFFENSIVE IN SEPTEMBER BUT THOUGHT THE ARMED FORCES COULD  
HANDLE IT. HE CITED MILITARY REFORM EFFORTS AND STRESSED  
IMPORTANCE OF CONFIDENCE-BUILDING MEASURES TO ENSURE LONG  
TERM SUCCESS OF DEMOCRACY. SHLAUDEMAN ASSURED TENORIO OF  
OUR INTEREST IN CLOSE COOPERATION (ALTHOUGH IT IS  
APPARENT THAT DELICATE ISSUES WILL BE HANDLED BY DUARTE  
THROUGH REY PRENDES). CHAVEZ SAID THE CONTADORA GROUP  
BROKE ITS AGREEMENT WITH THE CORE FOUR ABOUT NOT DRAFTING  
A TREATY. HE SAW DRAFT AS WORK OF THE MEXICANS AND  
CONTRARY TO U.S. INTERESTS IN CENTRAL AMERICA. IT MIGHT  
ALSO BE A MEANS FOR THE CONTADORA GROUP TO BACK OFF FROM  
THE NEGOTIATIONS. HE PROPOSED TABLING A COUNTERDRAFT  
BASED ON EARLIER TREATY PREPARED BY EL SALVADOR, HONDURAS  
AND COSTA RICA IN A RESPONSE TO THE CONTADORA GROUP.  
SHLAUDEMAN AGREED TO FOLLOW UP WITH ANDRADE ON THE GOES'S  
PROPOSAL FOR TECHNICAL CONSULTATIONS AMONG THE CORE  
FOUR. CHAVEZ DESCRIBED RECENT INITIATIVES FOR DIALOGUE  
BY THE FDR/FMLN, NOTING THAT DUARTE HAD NOT RESPONDED  
BECAUSE IT IS TOO EARLY TO ADDRESS THE DIALOGUE  
QUESTION. END SUMMARY.

4. SHLAUDEMAN HAD CORDIAL ONE AND A HALF HOUR SESSION  
WITH DUARTE AT NATIONAL PALACE JUNE 20. DUARTE WAS  
ACCOMPANIED BY MINISTER OF PRESIDENCY REY PRENDES (BUT  
NOT FORMER TENORIO). CHARGE BLAKLEY AND SCOTT (ARA/AND)  
WERE ALSO PRESENT.

5. DUARTE OPENED THE MEETING WITH A DETAILED DESCRIPTION  
OF THE ECONOMIC AND FINANCIAL PROBLEMS HE FACES. THE  
PRESENTATION WAS ESSENTIALLY A PLEA FOR ACCELERATED  
DISBURSEMENT OF U.S. AID IN WHAT HE DESCRIBED AS PRESSING  
PROBLEMS CONFRONTING THE NEW GOES.

6. US-CARACUAN TALKS: FOLLOWING EXCHANGE ON THE  
ECONOMIC ISSUES, SHLAUDEMAN BRIEFED DUARTE ON THE CURRENT  
STATE OF PLAY IN REGARD TO OUR CONTEMPLATED TALKS WITH  
THE SANDINISTAS, HOW WE MEAN TO APPROACH THEM AND WHAT WE  
HOPE TO GAIN IN TERMS OF STRENGTHENING THE CONTADORA  
PROCESS. SHLAUDEMAN EMPHASIZED OUR COMMITMENT TO DEAL  
WITH ALL FOUR CONCERNS IN AN INTERRELATED FASHION --  
CUBAN/SOVIET PRESENCE, THE SANDINISTA MILITARY BUILDUP,  
EXPORT OF REVOLUTION AND DEMOCRATIZATION. HE ASSURED  
DUARTE OF OUR INTENTION TO KEEP THE GOES CURRENTLY AND  
FULLY INFORMED ON THE TALKS.

7. CONTADORA DRAFT: SHLAUDEMAN EXPLAINED WE HAD  
REVIEWED THE DOCUMENT AND WERE PROVIDING THE GOES A  
NON-PAPER WITH OUR DETAILED THOUGHTS. (DUARTE WAS  
SURPRISED THAT WE HAD NOT YET RECEIVED THE COPY OF THE  
DRAFT THAT HE HAD TOLD TENORIO TO GIVE US.) SHLAUDEMAN  
SAID WE FOUND THE DRAFT A STEP FORWARD, ALTHOUGH WITH  
SERIOUS DEFICIENCIES, PARTICULARLY IN THE SECURITY AND  
VERIFICATION AREAS. SHLAUDEMAN ASKED ABOUT THE GOES  
RESPONSE, NOTING THAT MORALES PAUL SAID IN NEW YORK THAT  
THE CONTADORA GROUP EXPECTED THE CENTRAL AMERICAN  
RESPONSE BETWEEN JULY 1 AND 15. DUARTE, WHO CONCEDED  
THAT HE HAD NOT READ THE DOCUMENT, SAID HE HAD REJECTED A  
REQUEST BY THE CONTADORA FORMINS TO REPLY BY A SET DATE.  
HE TOLD THEM HIS NEW GOVERNMENT WAS NOT YET IN A POSITION  
TO TAKE ON SUCH A DELICATE TASK WITHOUT CAREFUL  
ANALYSIS. DUARTE PROPOSED A FOUR-STEP PROCEDURE TO

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PREPARE A RESPONSE, BRIEFINGS OF THE GOES TECHNICAL STAFF  
ON THE DRAFT AND THE BACKGROUND OF CONTADORA; TECHNICAL  
BRIEFINGS FOR THE GOES BY FRIENDLY GOVERNMENTS SUCH AS  
EXDIS

GUATEMALA, HONDURAS, COSTA RICA AND THE U.S.; TECHNICAL  
CONSULTATIONS WITH THE CONTADORA FOUR AS REQUIRED, AND  
FINALLY A FORMAL RESPONSE TO THE CONTADORA FOMINS.  
DUARTE SAID THAT TENORIO WOULD BE THE FORMAL NEGOTIATOR  
BUT THAT REY FRENDES WOULD BE THE INFORMAL NEGOTIATOR ON  
THE MAJOR ISSUES.

8. SHLAUDEMAN NOTED OUR CONCERN THAT THE DRAFT SATISFIED  
NICARAGUAN INTERESTS AS SOON AS AN AGREEMENT IS SIGNED,  
BUT LEFT FOR LATER NEGOTIATION OTHER ISSUES OF IMPORTANCE  
TO OUR CENTRAL AMERICAN FRIENDS. HE SAID THAT  
COORDINATION AMONG THE CORE FOUR IS IMPORTANT, NOTING  
THAT ANLADE HAD PROPOSED A MEETING OF THE FOUR AT THE  
TECHNICAL COMMISSION LEVEL AFTER THE JULY 1 ELECTIONS.  
WE SUPPORT THAT INITIATIVE.

9. HONDURAS/SALVADOR BORDER ISSUES AND MILITARY  
COOPERATION: SHLAUDEMAN SAID HE HAD RAISED THE BORDER  
QUESTION WITH THE HONDURANS WHO ARE READY TO TALK WITH  
THE NEW GOES. SHLAUDEMAN SAID WE SEE POSITIVE STEPS TO  
RESOLVE THE BORDER QUESTION AS AN IMPORTANT MEANS TO  
IMPROVE GOES/GOH MILITARY COOPERATION. DUARTE SAID HE  
HAD PROPOSED TO SUAZO THAT TENORIO VISIT HONDURAS WEEK OF  
JUNE 25. THE GOES IS ALSO READY TO SEND A TECHNICAL TEAM  
TO TEGULIGALPA TO TALK AND WOULD WELCOME A SIMILAR VISIT  
BY THE HONDURANS. THE PROBLEM IS THAT BOTH SIDES HAVE  
OVERALL STRATEGIES BUT NO DIRECT UNDERSTANDING ON HOW TO  
PROCEED. IF SUCH AN UNDERSTANDING IS REACHED, A GOH/GOES  
MEETING AT THE PRESIDENTIAL LEVEL COULD ESTABLISH THE  
SYSTEM WHEREBY DISCUSSIONS COULD CONTINUE THROUGH THE  
FOREIGN MINISTRIES.

10. DUARTE ASSERTED THAT THE GOH WANTS TO RESOLVE THE  
BORDER PROBLEM AREA BY AREA WITH A SEPARATE AGREEMENT FOR  
EACH. THE LAND AREAS WOULD BE FIRST WITH THE GULF AND  
ISLAND ISSUES LAST. EL SALVADOR WANTS AN OVERALL  
AGREEMENT, NOT A PIECEMEAL APPROACH. DUARTE ADMITTED  
THIS ISSUE HAD HINDERED MILITARY COOPERATION. THE GOES  
WAS FORCED TO PROTEST IN STRONG TERMS THE HONDURAN  
MILITARY PRESENCE ON TORTUGA ISLAND IN ORDER TO PROTECT  
ITS JURIDICAL POSITION, EVEN THOUGH IT AGREED WITH THE  
MILITARY OPERATION. DUARTE SUGGESTED AN AGREEMENT WITH  
THE GOH ON DISPUTED BORDER AREAS FOR PURPOSES OF MILITARY  
OPERATIONS, BUT WITHOUT PREJUDICE TO EITHER SIDES'  
JURIDICAL CLAIMS. AGREEMENT WOULD BE REACHED ON THE  
ZONES OF SUCH AREAS UNDER NATIONAL MILITARY CONTROL. A  
CENTRAL BAND, PERHAPS FIVE OR MORE KILOMETERS WIDE, WOULD  
BE A NO-MAN'S LAND IN WHICH THE MILITARY FORCES OF EITHER  
COULD OPERATE IN COORDINATION WITH THE OTHER. THUS, THE  
MILITARY AND JURIDICAL ISSUES COULD BE SEPARATED. DUARTE  
SAID HE OUTLINED THIS IDEA TO GENERAL GORMAN. SHLAUDEMAN  
TERMED IT INTERESTING AND WORTH PURSUING.

11. THE GRN AND THE INSURGENCY: BLEAKELY RAISED THE  
ISSUE OF DEMONSTRATING PUBLICLY GRN INVOLVEMENT IN THE  
WAR. HE SUGGESTED A DISPLAY OF WEAPONRY OF SOVIET-BLOC  
ORIGIN CAPTURED IN EL SALVADOR. DUARTE LIKED THE IDEA --  
AND CALLED THE DEFENSE MINISTRY TO ENDORSE IT -- BUT  
UNDERScoreD THE IMPORTANCE OF CAPTURING ARMS ACTUALLY

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THIS WITH THE MILITARY BUT SAID THE GOES NEEDED OUTSIDE TECHNICAL SUPPORT. HE SUGGESTED WAYS IN WHICH THE U.S. COULD HELP.

12. MEETING WITH MINISTER OF DEFENSE: IN A SUBSEQUENT MEETING WITH THE MOD, SHLAUDEMAN PROVIDED VIDES CASANOVA WITH THE SAME BRIEFING ON U.S.-NICARAGUAN TALKS AND THE CONTADORA DRAFT. THE GENERAL HAD NOT SEEN THE LATTER BUT INDICATED THAT HE WOULD TAKE AN INTEREST IN THE PREPARATION OF THE GOES RESPONSE.

13. THE MOD COMMENTED ON THE POSITIVE POLITICAL PROGRESS MADE IN RECENT MONTHS AND THE IMPORTANT ROLE PLAYED BY THE ARMED FORCES. THEY HAD MADE A CONCERTED EFFORT TO AVOID INTERNAL DIVISION DURING THE PRESIDENTIAL RUN-OFF. DUARTE'S INAUGURAL SPEECH WAS VERY HELPFUL IN MEETING THE ARMED FORCES' CONCERNS ABOUT HIS PRESIDENCY, AS WERE HIS MARATHON MEETINGS WITH THE COMMANDERS AND HIS VISITS TO THE CUARTELS. THESE WERE CONFIDENCE-BUILDING MEASURES THAT SHOULD HELP STRENGTHEN DUARTE'S POSITION OVER THE NEXT TWO-THREE MONTHS.

14. THE MILITARY SITUATION IS RELATIVELY CALM BUT THE GUERRILLAS ARE ACTIVELY RECRUITING TO RAISE FORCE LEVELS FROM 9,000 TO 14,000, PERHAPS IN PREPARATION FOR A SEPTEMBER OFFENSIVE. ARMED FORCES MORALE REMAINS HIGH, HOWEVER, AND VIDAS WAS CONFIDENT THEY CAN DEAL WITH SUCH AN OFFENSIVE.

15. IN VIDES' VIEW, THE MAJOR CHALLENGES FACING DUARTE ARE ECONOMIC, THE PROBLEM OF THE DEFICIT AND GROWING WAGE DEMANDS. THE MOD HAD ALREADY TAKEN SERIOUS BUDGET CUTS. ON ANOTHER FRONT, THE MILITARY ARE IMPROVING THEIR RELATIONS WITH THE CHURCH. REFORMS ARE UNDER WAY, EXCIS

INCLUDING A NEW ROLE FOR THE TREASURY POLICE AND HUMAN RIGHTS INDOCTRINATION FOR SECURITY FORCES. VIDES WAS CONCERNED THAT OPPOSITION ELEMENTS IN THE CONGRESS AND THE JUDICIARY MIGHT PRODUCE OBSTACLES FOR DUARTE, BUT HOPED THESE COULD BE NEGOTIATED SATISFACTORILY.

16. MEETING WITH FONMIN TENORIO: SHLAUDEMAN MET BRIEFLY WITH TENORIO EVENING OF JUNE 20. SHLAUDEMAN REVIEWED HIS MEETINGS IN GUATEMALA AND HONDURAS AND UNDERSCORED THE NEED FOR A COORDINATED APPROACH AMONG THE CORE FOUR. HE ALSO BRIEFED TENORIO ON HIS MEETING WITH DUARTE. SHLAUDEMAN RECOGNIZED THAT THE NEW GOES TEAM HAD YET TO ANALYZE THE CONTADORA DRAFT. HE ASSURED TENORIO OF OUR WILLINGNESS TO COOPERATE CLOSELY WITH HIM ON ANY FURTHER CONSULTATIONS HE MIGHT WANT. HE NOTED ANDRADE'S INTEREST IN CORE FOUR TECHNICAL CONSULTATIONS AND STRESSED THE IMPORTANCE OF NOT LEAVING THE INITIATIVE TO THE NICARAGUANS. THE GRN SOUGHT A QUICK BUT GENERAL TREATY TO PROTECT ITS OWN INTERESTS, NOT THOSE OF OUR FRIENDS.

17. MEETING WITH FIDEL CHAVEZ: AT BREAKFAST SESSION JUNE 21, CHAVEZ SAID HE HAS SEEN THE CONTADORA DRAFT AND ASSERTED THAT DUARTE HAD ASKED FOR HIS GUIDANCE BEFORE THE PRESIDENT'S MEETING WITH SHLAUDEMAN. (NOTE: ACCORDING TO FOREIGN MINISTRY OFFICIALS, DUARTE HAS FORMED AN INFORMAL "COMMISSION" CONSISTING OF CHAVEZ, REY PRENDES AND TENORIO TO PREPARE THE SALVADORAN RESPONSE TO THE DRAFT AGREEMENT.) FIDEL SAID THE DRAFT BROKE AN AGREEMENT BETWEEN THE CONTADORA FOUR AND THE CENTRAL

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TREATY BUT WOULD LIMIT ITSELF TO ORGANIZING AND INTEGRATING THE MATERIAL PROVIDED BY THE WORKING COMMISSION. HE SAW THE HAND OF THE MEXICANS IN THE DRAFT AND ARGUED THAT IT WORKED AGAINST U.S. INTERESTS. IT WAS SUPERFICIALLY APPEALING TO THOSE WHO KNEW LITTLE OF THE SITUATION AND TO THOSE WHO WOULD LIKE TO LIMIT THE U.S. ROLE IN CENTRAL AMERICA, SUCH AS THE NAM. HE CONTENTED THAT THE PROTOCOL TO THE DRAFT FAVORED THE CUBANS.

18. SHLAUDEMAN AGREED, BUT SAID THE DRAFT HAD SOME INTERESTING POINTS; FOR INSTANCE, THE DEMOCRATIZATION PROVISIONS WOULD GIVE THE GRN PROBLEMS. THE GRN HAD ALREADY APPROACHED THE GUATEMALANS TO COMPLAIN ABOUT THOSE PROVISIONS. FIDEL ASSERTED THAT THE DRAFT ALSO OFFERED THE CONTADORA GROUP, REALIZING THAT IT COULD NOT SOLVE THE CENTRAL AMERICAN PROBLEM, A WAY TO BACK OFF AND LEAVE FURTHER NEGOTIATIONS TO THE CENTRAL AMERICANS. HE RECOUNTED A CONVERSATION ON THE NIGHT OF DUARTE'S INAUGURAL WITH COLOMBIAN FOREIGN MINISTER LLOREDA IN WHICH THE LATTER EXPRESSED THE CONVICTION THAT CONTADORA WAS AN IMPOSSIBLE TASK AND COULD NOT SUCCEED.

19. FIDEL ARGUED AGAINST ANY FURTHER MINISTERIAL LEVEL MEETINGS AT THIS TIME. HE PROPOSED INSTEAD THAT THE CORE FOUR, AFTER CLOSE BUT QUIET CONSULTATIONS WITH THE U.S., TABLE A REVISED VERSION OF THE EARLIER TREATY PROPOSED BY EL SALVADOR, HONDURAS AND COSTA RICA. HE THOUGHT GUATEMALA WOULD GO ALONG. BOTH DOCUMENTS COULD THEN BE DISCUSSED BY THE NINE AT THE TECHNICAL LEVEL. IT COULD ALSO BE GIVEN TO THE UN TO DEMONSTRATE THE CENTRAL AMERICANS' RESPONSIVENESS TO THE CONTADORA PROPOSAL. SHLAUDEMAN AGREED THAT THIS WAS A GOOD STRATEGY WHICH WOULD GIVE THE CORE FOUR THE INITIATIVE. SHLAUDEMAN UNDERTOOK TO FOLLOW UP WITH ANDRADE IN SUPPORT OF THE GOG'S IDEA OF TECHNICAL-LEVEL MEETINGS OF THE CORE FOUR. (SEPTEL.)

20. GOES/FMLN DIALOGUE: FIDEL REFERRED TO THE UNGO LETTER TO DUARTE PROPOSING DIRECT TALKS BETWEEN THE GOES AND THE FDR/FMLN WITHOUT PRE-CONDITIONS OR AGENDA. HE ALSO SAID THAT A COSTA RICAN MESSENGER FROM FMLN/FDR HAD APPROACHED DUARTE THROUGH THE ARCHBISHOP PROPOSING SECRET MEETINGS BETWEEN THE TWO SIDES. THE UNIDENTIFIED COSTA RICAN PROPOSED A GOES DELEGATION OF TWO-THREE PERSONS AND SUGGESTED THAT FIDEL OR PABLO MAURICIO ALVERGUE SERVE AS THE COORDINATOR FOR SUCH CONTACTS, AN IDEA THAT UNDERSTANDABLY MADE FIDEL NERVOUS. DUARTE HAD PUT OFF A RESPONSE TO THE UNGO LETTER AND THE COSTA RICAN CONTACT SAYING IT WAS TOO EARLY IN HIS GOVERNMENT TO ADDRESS THE DIALOGUE QUESTION. FIDEL SPECULATED THAT THESE INITIATIVES MIGHT REFLECT A SENSE OF WEAKNESS ON THE OTHER SIDE, AS WELL AS CONSTITUTING TACTICAL MOVES.

21. FIDEL'S NATIONAL PLAN: CHAVEZ ASSERTED THAT THE PSYCHOLOGICAL ATMOSPHERE IN EL SALVADOR IN THE WAKE OF THE INAUGURATION WAS MORE UPBEAT THAN ACTUAL CONDITIONS WARRANTED. HE IS DRAFTING ON HIS OWN A NATIONAL PLAN COVERING POLITICAL, ECONOMIC, MILITARY AND INTERNATIONAL MATTERS. HE PROPOSED THE ESTABLISHMENT OF AN NSC TO DEVELOP WITHIN THE MILITARY A GREATER POLITICAL UNDERSTANDING OF THE WAR, AS WELL AS A NATIONAL DEVELOPMENT COUNCIL. HE WOULD ALSO STRENGTHEN THE HUMAN

S E C R E T

EXDIS

22. OTHER EXCHANGES: SHLAUDERMAN HAD BRIEF  
NON-SUBSTANTIVE SESSION WITH PCA LEADER CHACHI GUERRERO  
(LIKELY SUPREME COURT PRESIDENT). GUERRERO ASSERTED THAT  
THE PCN, SAVED FROM OBLIVION BY THE RETURN TO DEMOCRATIC  
RULE, WOULD SERVE AS A LOYAL OPPOSITION AND MODERATING  
FORCE. HOWEVER, HE NOTED THAT THE PCN WOULD WORK TO  
ENSURE AGAINST THE RETURN OF A PERSONALISTIC PRESIDENCY  
IN EL SALVADOR. SHULTZ UNQUOTE BLEAKLEY

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